

Questions for RFP BC-2005-01

These are the questions that were submitted by the deadline. Every question submitted has been included. If you feel you submitted a question and do not see it on this list, please contact the RFP coordinator immediately.

1. *Is there any chance the mandatory requirement could be revised if some other processors could provide the same or better level of services to Washington State? Or, is there any other governing arrangement with ADS that State currently has?*

The mandatory requirement that Alliance Data Systems (ADS) be used cannot be altered. The current contract also has ADS as a mandatory requirement.

2. *What is the Treasurer of State – Washington's optimal goal and objectives in sending out this RFP?*

The Office of the State Treasurer is seeking responses that recognize the unique nature of government transactions, and that offer volume discounts for all State agencies based on total volume for the state as a whole. Because of the number of diverse agencies who accept payments, we are seeking a vendor who provides flexibility and is able to accommodate a variety of payment processing needs.

3. *Do you assess a convenience fee? Are you utilizing a 3rd party? If so, who provides that service currently for convenience fee?*

Because VISA and MasterCard have such restrictive policies regarding convenience fees, we currently have no agencies that are assessing these fees for VISA and MasterCard. The Department of Revenue is currently utilizing Official Payments Corporation for the collection of tax payments with a convenience fee using Discover and American Express cards only.

4. *Is your CyberSource the Gateway or CPM application?*

Currently CyberSource is being used as a payments processor utilizing the VITAL gateway.

5. *Do you have an IVR application?*

It is anticipated that one or more agencies will need an IVR system in the future.

6. *Do you have any plans to upgrade to an integrated POS now or in the future?*

We currently have two agencies with integrated Point of Sales/Revenue systems. The Liquor Control Board has a POS solution provided by Triversity, which has been certified to operate with Alliance Data Systems. Washington State Ferries is in the process of updating their Point of Sales system to an integrated system provided by Gateway/Avenade, which is also certified with Alliance Data Systems.

7. *Can you provide us 3 months worth of current statements?*

Each agency is responsible for paying its invoice, and receives statements separately. 3 months worth of statements for all state agencies and community colleges would be over 500 pages worth of documents, and we do not have the manpower to compile this much information.

8. *Can you clarify on Page 29 Section 3 (pricing schedule), would the State want a single processing fee based on the entire revenue agencies component or individual processing fees based on the individual agencies listed on page 78 of the RFP.*

We would like the fees to remain static across the agencies since we are looking at economies of scale as a whole. However, if a fee is a percentage based fee, we would like to see some kind of pricing parity. For example, if one agency's average ticket were \$35, while another agency's average ticket price was \$350, and if a fee was percentage based, the agency with the higher ticket price would have to pay far more per transaction than the agency with a small ticket price.

9. *Question 16.8 (Other/Future Services) and its related question under Section II - Services, question 13 (other services) are questions about Internet initiated transactions. Could you provide a little more background on what you would like? For example, would you like to know if the merchant services provider can process ACH transactions accepted through an existing pay button? or are you looking for general information on our ability to provide a pay button, but not a full proposal on a pay button?*

We have some agencies who are currently utilizing a convenience contract let by the Department of Information Services for internet initiated ACH transactions. Some agencies have expressed an interest in having an integrated shopping cart, with both bankcards

and ACH options available. There are also some agencies who have expressed an interest in the conversion of checks at the point of purchase. It has been asked if this ability can be made available within the framework of a merchant services contract. We have included this section so that if the winning vendor does have this ability, we would be able to add this service on via an amendment at a later date. Please note that this section will not be a part of the scoring matrix.

10. *On Page 63, section 3.2.4 of Attachment D states: Ability to authorize and bill Internet based and point of sale transactions (credit card and pin based debit cards) through the same processor. Please clarify the term "bill" in terms of processing transactions or paying processing fees.*

The word "bill" in this context means the ability to process payments.

11. *On page 56, section 11.2 of attachment C states part: Existing proprietary software provided by Alliance Data Systems needs to be replaced. All vendors must provide a replacement product. It is desirable that such replacement software would not be proprietary, but rather based on open industry standards. Also describe plans for maintenance and support of software provided. Provide brochures and specification sheets if possible. Could the State elaborate on the requirements for a new product such as processing environment, which Agency will be using the product, types and volumes of transactions that will be processed, and what about the current system fails to meet the State's needs?*

This section was erroneously left in, and will be removed via amendment.

12. *On page 78, attachment F: Given that the State has requirements included in the RFP for the use of certain vendors, such as Vital, Alliance Data Systems, and Cybersource, could the State provide a breakdown of the transaction volume (in dollars) and type (PIN debit or credit) processed by each vendor, for each Agency?*

The mandatory requirements only stated that Alliance Data Systems and CyberSource be supported as processors. The only processor currently being used for online debit (PIN based) is ADS. The breakdown is as follows:

Agency and Processor	Dollars	Transactions
Liquor Control Board - ADS	182,194,865.12	5,668,900
Dept of Transportation – CyberSource	43,825,352.19	1,303,041
Dept of Licensing – CyberSource	43,983,700.84	668,559
State Parks & Recreation-ADS/Other	8,058,854.40	201,038
CIS Association – CyberSource	46,086,507.00	116,289
Convention & Trade Center -ADS	1,155,817.79	60,316
Dept of L&I – Total - Other	2,452,841.51	54,647
State Patrol – CyberSource	373,967.00	26,525
Secretary of State – CyberSource	1,284,876.76	8,453
Insurance Commissioner – ADS	437,400.00	5,817
Historical Society - ADS	205,972.32	5,708
Utilities & Transportation - ADS	954,963.77	4,963
General Administration - ADS	2,237,098.39	3,799
Guaranteed Education Tuition - CyberSource	164,550.00	3,384
Dept of Printing - ADS	143,833.38	2,649
Code Reviser - CyberSource	102,782.07	534
Dept of Agriculture - ADS	40,679.45	472
Fish & Wildlife - ADS	119,051.19	446
Admin for the Courts – CyberSource	12,171.65	110
Dept of Corrections – CI - CyberSource	17,730.45	64
Dept of Financial Institutions - CyberSource	4,416.62	26
Total	\$333,853,015.28	8,135,714

13. How many transactions are run over the various different types of communication options?

- a. Dial
- b. IP
- c. Leased Line
- d. Other

Dial-Up	IP	Leased Line *
5,250,294	1,658,525	1,226,895

***Note: These are statistics from Calendar Year 2004. It is anticipated the State Owned Liquor stores will be on leased line as well starting 1st quarter 2006. The State owned Liquor stores accounted for 4,920,068 transactions under dial up in 2004.**

14. What percentage of transactions are PIN based Debit versus Debit cards run as credit cards?

We have not tracked this statistic specifically. We do track the amount of online debit transactions, and the percentage these make of our total volume.

Online Debit Amount	Online Debit Transactions
\$85,463,089	3,047,709
25.60%	37.46%

15. Section 15 talks about integration to existing payment and accounting applications. Is this integration expected to be handled by the vendor awarded this contract; or is making an API and/or data format available acceptable?

It is expected that the vendor would work with the agency to get an application certified. Any costs would be born by the agency, but those costs must be disclosed in attachment A.

16. Are there any restrictions or requirements that would prevent or disqualify the reporting and data integration capability being hosted at a certified secure hosting facility or is it a requirement that the software be on servers running in the various state agency offices?

While some agencies do require a daily file of all their data, most prefer not to store cardholder data locally. The only requirements regarding the storage of data are the same requirements governed by the Payment Card Industry Data Security Standard.

17. Are there any transaction/sales data archiving requirements the vendor should be aware of? How many months of data need to be available for state agency reporting?

We did not put any retention requirements in the RFP, but have added section 8.7 to page 53 of Attachment C to address this issue. This addition can be found in amendment #3 to the RFP at www.tre.wa.gov. Currently we have access to daily and monthly data back 12 months.

18. Can we get samples of the existing merchant processing reports the state uses? Or is more flexibility in the reporting wanted?

While our current reporting is adequate, we are always looking for the most flexibility in reporting. Sample reports will be posted at www.tre.wa.gov under the RFP.

19. Section 16.5. Is a train the trainer approach acceptable or will the vendor be responsible for training all personnel?

Train the trainer is acceptable, but we do also prefer to have training resources available if needed.

20. Related to above is the expectation that the vendor will be handling all support or does Tier 1 support exist today with the state?

The winning vendor would be responsible for support. Currently the Office of the State Treasurer as administrator of the contract does provide high level support, but any technical questions do need to be answered by the vendor.

21. Section 17. In addition to 7x24 support, what support resolution response times will be required in the Service Level Agreement (SLA)?

We do not have support resolution times as a requirement, since every situation can be unique. We prefer at least a contact to be made back within 24 hours of a request.

22. Section 17.2.3. Is the expectation that the vendor does this integration with these applications?

It is expected that the vendor would work with the agency to get an application certified. Any costs would be born by the agency, but those costs must be disclosed in attachment A.

*23. Page 55 – What is the schedule for replacing the ADS software?
a. How will this affect the ability to use Avenade and Triversity software/hardware?*

This requirement was to be removed prior to the RFP being published. Because we made the decision to make ADS a mandatory requirement, we will be amending the RFP to remove the requirement to replace the ADS software.

24. Is there any consideration to move the state owned liquor stores to DSL or another high speed IP based communication option?

The Liquor Control Board is currently in the process of converting the State Owned Stores to a leased line solution with Alliance Data Systems.

